

**Assembly Bill No. 188**

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Passed the Assembly October 26, 2009

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*Chief Clerk of the Assembly*

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Passed the Senate October 14, 2009

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act relating to public health, making an appropriation therefore, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 188, Jones. Medi-Cal: quality assurance fee revenue.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. The Medi-Cal program is partially governed and funded as part of the federal Medicaid Program.

AB 1383 of the 2009–10 Regular Session of the Legislature, which becomes effective January 1, 2010, requires the department to make supplemental payments for certain services, as specified, to private hospitals, nondesignated public hospitals, and designated public hospitals, as defined, for subject federal fiscal years.

These provisions in AB 1383 are subject to federal approval and also impose, as a condition of participation in state-funded health insurance programs other than the Medi-Cal program, a quality assurance fee, as specified, on certain general acute care hospitals through and including December 31, 2010. The provisions create the Hospital Quality Assurance Revenue Fund in the State Treasury and require that the money collected from the quality assurance fee be deposited into the fund. The provisions provide that the moneys in the fund shall, upon appropriation by the Legislature, be available only for certain purposes, including providing the above-described supplemental payments to hospitals and health care coverage for children.

This bill would appropriate \$1,000,000 from the Private Hospital Supplemental Fund and \$1,000,000 from the Federal Trust Fund to the department to pay the department's staffing and administrative costs associated with the provisions of AB 1383, including costs of workload associated with seeking the necessary federal approvals to implement those provisions. The bill would also appropriate \$13,500,000,000 from the Hospital Quality Assurance Revenue Fund to the department for the purposes

prescribed by AB 1383 to be available for expenditure until January 1, 2013. If the department obtains federal approval, the bill would require the department to use the money in the Hospital Quality Assurance Revenue Fund to reimburse \$1,000,000 to the Private Hospital Supplemental Fund. If the department does not obtain federal approval, the bill would require any unexpended moneys from the \$1,000,000 appropriated to the department from the Private Hospital Supplemental Fund pursuant to this bill to revert to the Private Hospital Supplemental Fund.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. (a) There is hereby appropriated to the State Department of Health Care Services the following sums:

(1) To pay for the department's staffing and administrative costs associated with Article 5.21 (commencing with Section 14167.1) and Article 5.22 (commencing with Section 14167.31) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, including costs of workload associated with seeking the necessary federal approvals from the federal Centers for Medicare and Medicaid Services to implement Article 5.21 (commencing with Section 14167.1) and Article 5.22 (commencing with Section 14167.31) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, one million dollars (\$1,000,000) from the Private Hospital Supplemental Fund established pursuant to Section 14166.12 of the Welfare and Institutions Code and one million dollars (\$1,000,000) from the Federal Trust Fund.

(2) For the purposes specified in subdivisions (c) and (d) of Section 14167.35 of the Welfare and Institutions Code, the sum of thirteen billion five hundred million dollars (\$13,500,000,000) from the Hospital Quality Assurance Revenue Fund, to be available for expenditure until January 1, 2013.

(b) (1) If the department obtains federal approval for the implementation of Article 5.21 (commencing with Section 14167.1) and Article 5.22 (commencing with Section 14167.31) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, moneys in the Hospital Quality Assurance Revenue Fund shall be

used to reimburse the one million dollars (\$1,000,000) appropriated from the Private Hospital Supplemental Fund pursuant to paragraph (1) of subdivision (a).

(2) If the department does not obtain federal approval for the implementation of Article 5.21 (commencing with Section 14167.1) and Article 5.22 (commencing with Section 14167.31) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, any unexpended moneys from the one million dollars (\$1,000,000) appropriated to the department from the Private Hospital Supplemental Fund pursuant to paragraph (1) of subdivision (a) shall revert to the Private Hospital Supplemental Fund.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to increase Medi-Cal payments to hospitals and improve access to care at the earliest possible time, it is necessary that this act take effect immediately.







Approved \_\_\_\_\_, 2009

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*Governor*